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THEATRE FACTS 81

A Guide to the Nonprofit Professional Theatre in America, including

- Trends in Private Support
- Trends in Public Support
- Earned Income
- Total Expenses
- Effects of Inflation
- Labor Force
- Production Statistics
- Audience Data

TCG Survey 1981

Theatre Facts, formerly known as the *TCG Survey,* is published annually by Theatre Communications Group, 355 Lexington Ave., New York, NY 10017. (212) 697-5230. Peter Zeisler, Director

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Foreword

EDWIN WILSON
Theatre Critic, *Wall Street Journal*

With each year that passes—and with the publication of each new TCG survey—two things about the country's nonprofit theatres become more evident: one is the indispensible role they play in the cultural life of our country; the other is the increasing competence with which they manage their affairs.

To take the artistic accomplishments first. In city after city, nonprofit theatres provide the most exciting theatre available—the best in both the classics and the avant-garde. Institutions in these cities are generally of two kinds: there are the large, well-established resident theatres that have become mainstays of their communities. In larger cities, there are also extensive networks of smaller organizations—the equivalent of off and off-off Broadway theatres. Such groups thrive not only in New York, but in Atlanta, Boston, Chicago, Minneapolis, Los Angeles, Seattle and San Francisco.

The most striking evidence, however, of the nonprofit theatre's importance is the contribution it makes to the contemporary repertoire of dramatic literature. New American plays are now produced almost exclusively by these companies. If one takes the Broadway shows running in Fall 1981, and subtracts the productions that were nurtured in nonprofit theatres, the only things left are revivals, revues and British imports. Think of Broadway at this time without *Fifth of July, Children of a Lesser God, Crimes of the Heart, Mass Appeal, A Chorus Line, Ain't Misbehavin'*, and *The Pirates of Penzance*. It would be a cultural wasteland.

At the same time that their cultural leadership has become undisputed, nonprofit theatres have been showing a growing business acumen. This is evident in *Theatre Facts 81*. After a year of no growth, in either revenues or expenses, there was a spurt in each area this past season. In view of rising costs and inflation, increased expenses could have been anticipated, but the growth in income attests to good salesmanship and sound management.

It is ironic that just at the moment of these accomplishments storm clouds appear on the horizon. The darkest of these are the current recession and the attitude of the Reagan administration toward the arts. The latter manifests itself most clearly in the President's proposal of a more than 50 percent cut in the budget of the National Endowment for the Arts. President Reagan is a proponent of "volunteerism," and even appointed a task force to find ways to take up the slack in lost NEA funding with contributions from individuals and foundations. There are at least two fallacies in the President's proposal. One is the notion that voluntary gifts can fill the gap. Everyone familiar with the facts—including the Task Force itself—acknowledges that they cannot. The other is the assumption that federal support of the arts is, or should be, of little consequence.

Theatre Facts 81 reports that NEA support of nonprofit theatres this past year represented only 4.5 percent of total expenses, a new low. As small as this figure is, though, its effects are immeasurable. In the now-famous article about David Stockman in the *Atlantic Monthly*, Mr. Stockman spoke of the "trickle down" theory of investment and productivity. Without commenting on its merits as economic theory, there is no question that there is a "trickle down" or "ripple" effect in support of the arts. It is not the dollar amount so much as the imprimatur of government support that is important. Without it, other sources of support fall off.

The case was put forcefully by Leonard Fleischer, senior advisor for Exxon's arts programs, at a recent conference on arts funding. "By reducing federal arts funding, the government may unwittingly be sending a signal to corporations that the arts are not a high priority to our society," he said, adding, "this could adversely effect future levels of corporate and private support."

Current economic conditions and loss of funding constitute a grave problem for nonprofit theatres, and important programs may have to be curtailed. Once again, as so often in the past, they are fighting for survival. As the current report indicates, however, they are fighting from strength and with a keen awareness of what it takes to manage a theatre successfully.

Highlights

- Attendance for mainstage productions increased by 11 percent in 1981.
- Despite increased attendance and productivity, ticket income declined in relation to meeting total expenses.
- Much of the earned income gain was derived from secondary activities, including concessions, booked-in events and interest.
- Overall, earnings increased by nearly 30 percent, while contributed income from all sources increased at a rate just 3.2 percent ahead of inflation.
- Among all sources of unearned income, contributions from individuals and benefit proceeds continued to provide the greatest measure of support, displaying combined financial growth of over 26 percent in 1981.
- Although state and federal funding showed new growth, support from private foundations decreased by 11 percent.
- The rate of growth for corporate contributions diminished from over 40 percent in 1980 to less than 16 percent in 1981, and the average corporate grant increased by just $4.00.
- The rate of growth for total income did not quite keep up with the nearly 23 percent increase of expenses.
- As theatres were required to generate more income from secondary activities and to solicit thousands of new donors, the administrative labor force was increased by nearly 20 percent.
- At the same time, the aggregate of artistic salaries continued to diminish as a percent of total expenses.
- The financial trends continue to indicate a measure of stability through adaptation to changing circumstances; however, the economic support structure is seen not to be conducive to new advances in artistic areas.

The Survey Universe

In 1981, Theatre Communications Group surveyed 121 nonprofit professional theatres which are based in 71 cities of 35 states and the District of Columbia. The TCG survey has been conducted annually for nearly 10 years to provide theatre professionals, boards of trustees, funding sources, and members of the press and academic communities with timely information on the financial and statistical trends of America's institutional theatre.

From the 1981 reports of 121 theatres, it is apparent that productivity, attendance, income and expenses are at an all-time high. A total of 1,356 productions were collectively offered for a total of 26,192 performances. Comparing averages between years, the number of productions mounted annually has increased by over 10 percent since 1977.

Numbers alone do not convey the full achievement. These rather dry statistics contain both the best of classical and modern dramatic literature, as well as the premieres of important new plays, which in 1981 included the Pulitzer Prize-winning *Crimes of the Heart,* and *The Diviners, A Tale Told, A Lesson from Aloes* and *True West.* Meanwhile, Broadway continued to capitalize on statistics of previous nonprofit theatre seasons with *Children of a Lesser God, The Fifth of July* and *The Pirates of Penzance.*

Attendance in America's institutional theatre continued to climb; exceeding 8 million among these 121 theatres, or 78 percent of capacity. That is not week-end attendance, which is normally close to 100 percent, but for typically six nights a week and two matinees. For many of these companies, the realistic threshold on maximum attendance has very nearly been reached.

Despite escalating costs, the touring services of these theatres also increased in 1981. A total of 198 productions were offered to 2.2 million people for 6,018 performances on tour. Last season, tours by these companies reached large and small communities in 47 states and the District of Columbia.

Turning to budgetary matters, the 121 theatres surveyed had combined operating expenses of $111 million, an average increase of 19 percent in just one year and an extraordinary 74 percent increase from 1977. Income, however, fell short of meeting total expenses for the 121 theatres by $346,000, and 54 percent of the survey universe experienced a deficit in 1981, compared to only 43 percent in 1980. The trends related to income, expenses and productivity can be more fully understood in the following analysis of a sample of 25 theatres.

The survey data indicates general health and stability in the nonprofit professional theatre, but the fiscal 1981 period witnessed some major casualties, including the demise of Chelsea Theatre Center and BAM Theatre Company. That even one artistically significant institution should vanish from the landscape is a loss that must be analyzed to be understood. What were the problems? Why weren't sources of income available to sustain it? Multiplicity and diversity of support have produced a generally healthy institutional theatre in this country, but within that structure are the nagging questions of leadership and responsibility.

1981 DATA (121 THEATRES)

Finances

Earned Income	$ 67,548,000
Unearned Income	43,395,000
Total Income	110,943,000
Total Expenses	111,289,000
Deficit	(346,000)

Resident Activity

Attendance	8,027,991
# Subscribers	640,201
# Performances	26,192
# Productions	1,356
# Booked-in Events	316

Labor Force

Artistic Staff	7,319
Administrative Staff	2,432
Technical Staff	1,435
Total Salaried	11,186
Volunteers	10,434
Total Work Force	21,620

Sample: 25 Theatres over Time

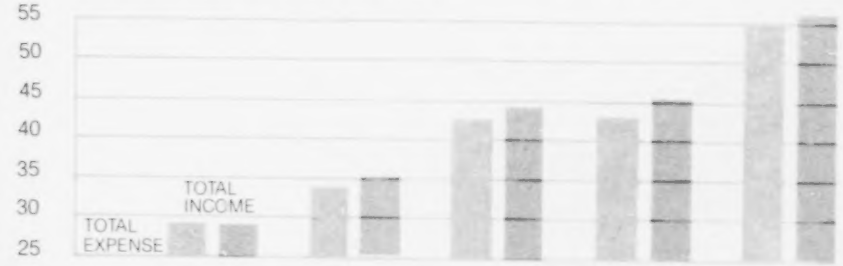
Twenty-five of those theatres that annually submit detailed financial information to the TCG Survey have been randomly selected to analyze the trends of income, expenses and productivity over time. This sample contains theatres with budgets ranging from $600,000 to $6.5 million and constitutes approximately 40 percent of all nonprofit professional theatres of this size.

Overall, the financial picture is sound. After the 1980 season in which virtually no growth occurred, the 1981 findings show renewed financial development. Much of the increase in expenses may be attributed to the dictates of inflation; however, the 23 percent growth rate is well in excess of the 9.6 percent rate of inflation for the year ending June 30, 1981. Headway in all quantitative areas of programs and services was achieved, including:

- a 5 percent increase in the number of mainstage productions;
- a 16 percent increase in the number of resident performances;
- a 29 percent increase in attendance for resident performances;
- a 5 percent increase in the number of actor employment weeks; and
- a 17 percent increase in the number of paid artistic, technical and administrative employees.

COMPARISONS: (IN MILLION $)

TOTAL INCOME & EXPENSE



Percent Change				
INCOME	18.1	26.3	1.6	22.3
EXPENSE	17.1	22.5	3.2	22.9

Total income, which in 1980 increased by less than two percent, grew by 22.3 percent in 1981. While this increase did not quite keep up with the growth of expenses (22.9 percent), 14 of the 25 theatres ended the season with either a balanced budget or a net surplus.

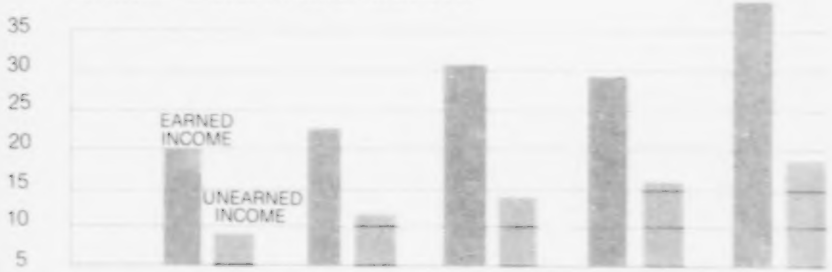
A glance at the bottom line finances of these theatres over the last five years indicates that they are tightly managed and have become increasingly adept at forecasting income trends and adjusting expenses accordingly.

The interesting question, of course, is why the financial picture for these institutions changed radically between 1980 and 1981. What accounts for the change from virtually zero growth in 1980 to a 23 percent growth rate in 1981? It is very likely that the prospect of continuing double-digit inflation acted as a very strong incentive to achieve maximum revenue, and in fact earned income can be seen to increase by nearly 30 percent.

Contributed income, on the other hand, increased at a rate only slightly higher than that of inflation. Consequently, earnings met an increased share of expenses, while contributions dwindled in paying the bills.

Despite the renewed financial vigor, as will be seen in a further exploration of income and expenses, the net effect of the current trend for these theatres can be described as running faster to stay in the same place.

COMPARISONS: (IN MILLION $)
EARNED & UNEARNED INCOME



Percent Change				
EARNED	15.8	29.6	-2.5	27.5
UNEARNED	22.9	19.9	10.2	12.8

Earned Income

Attendance and ticket income shot up in 1981 for these 25 theatres, with revenue from mainstage productions increasing from the 1980 level by almost $4.2 million. Approximately 75 percent of the dollar increase is attributable to an increase in ticket prices. The other 25 percent of the ticket revenue gain is related to a larger audience.

- Mainstage attendance increased in 1981 by 11 percent or almost 188,000 more people;
- The average number of subscribers holding season tickets remained constant at 12,500, representing approximately 60 percent of the audience;
- Income from single-ticket sales increased by almost 25 percent in 1981;
- Due to the increase in number of productions and performances with a higher number of seats to be filled, the 1981 paid percent of capacity remained constant at 80 percent.

The last point is particularly significant to note. Despite the increased size of the audience and related box-office income, it can be seen that these theatres are running faster just to stay even by examining the portion of expenses that are met by ticket revenue.

From 1977, when admissions covered 51 percent of the costs, the ratio of ticket income to expenses has dropped to paying just 47 percent of the bills.

It is the paradox of the labor-intensive nature of theatre, that increased productivity can, and frequently does, yield diminishing returns. When weekly running costs and amortized production expenses are higher than gross revenue, the result is a widening earned income gap.

Surprisingly, it is in the miscellaneous earned income categories that much of the slack has been taken up. Entrepreneurial skill has been applied wherever possible. The five-year compounded growth rate for some of these income categories serves to illustrate:

- concessions experienced a 30 percent growth rate;
- program advertising demonstrated a 69 percent growth rate;
- booked-in events achieved a 28 percent growth rate;
- short-term investment yielded a 32 percent growth rate; and
- touring activities provided income at a 23 percent growth rate.

Although the dollar amounts of each income category are relatively small, in aggregate such non-ticket earnings met 22 percent of expenses in 1981, compared to just 17 percent in 1977.

Capitalizing on new ways to increase earned income is something which the philanthropic community has recently been encouraging all nonprofit institutions to consider. For the theatres in this sample, it has been more than considered.

But if, in balancing the budget, theatres are forced to continue the expansion of secondary earnings, it is reasonable to wonder about how much time, energy and talent they may have to divert from the central purpose of the theatre to accomplish this end.

Total Income & Expenses (25 theatres)

In thousand $	*1977*	*1978*	*1979*	*1980*	*1981*
Earned Income	20,079	23,257	30,144	29,383	37,447
Total Expenses	29,872	34,988	42,864	44,244	54,449
Earnings Gap	(9,793)	(11,731)	(12,720)	(14,861)	(16,917)
Unearned Income	9,786	12,024	14,416	15,891	17,923
Total Income	29,865	35,281	44,560	45,274	55,370
Surplus/Deficit	(7)	293	1,696	1,030	921

Unearned Income

In 1981, private and public contributions to the 25 theatres in this sample increased by 12.8 percent or 3.2 percent more than the rate of inflation. As noted before, unearned income continued to meet just one-third of total expenses. Private support from foundations, corporations and individuals constituted two-thirds of all contributed income, meeting almost 23 percent of expenses; while public support from federal, state and local government provided slightly less than a third of all contributed money or 10.6 percent of total expenses.

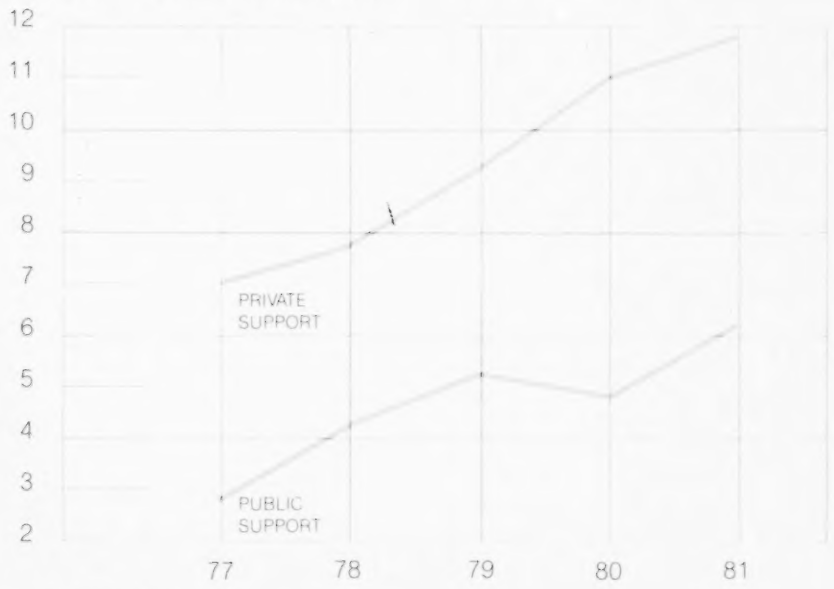
The most striking discovery in the 1981 statistics is that each category of contributed income performed in a manner inconsistent with the prior year's pattern:

- contributions from individuals went up dramatically;
- the rate of growth for corporate support diminished;
- foundations support fell off;
- federal support increased; and
- the rate of growth for state arts agency assistance diminished.

While the overall picture projects consistency of growth, the gains in one area were actually offset by reductions of growth in another. Recognizing that the institutions in this sample are among the most stable theatres in the country, the seeming capriciousness of contributed assistance reflected by these figures casts doubt on any theatre's ability to engage in serious long-range planning.

COMPARISONS: (IN MILLION $)

PRIVATE AND PUBLIC SUPPORT



IN THOUSAND $

PRIVATE	6,949	7,792	9,138	11,078	11,795
PUBLIC	2,837	4,232	5,278	4,813	6,128

Private Sector Support

Individuals

Whether through annual giving campaigns, fund-raising events or both, contributions from individuals remain the backbone of support for the nonprofit professional theatre. In 1981, after several years of remaining on a plateau, annual gifts from individuals increased tremendously in both numbers and size. The average gift among 45,544 contributors in 1981 was $66.70 compared to an average gift in 1980 of $60.66 among 40,967 individuals. Despite the pressures of the economy, it is encouraging that more people were willing to dig into their pockets and give more money. Similarly, the proceeds from fund-raising events, derived chiefly from individuals, increased by almost 40 percent in 1981.

The question regarding contributions from individuals in years to come is the relationship between tax incentives and charitable contributions. If the recent findings of the Urban Institute prove to be correct, the reduction of incentives contained in the Economic Recovery Tax Act of 1981 will result in a three-year loss of contributions to all charitable causes amounting to $18.3 billion. The Urban Institute has further concluded that the brunt of this loss will be borne by the arts, colleges and hospitals. If the current strength of individual contributions is to be preserved and extended, it is reasonable to conclude that in the future these contributors must be wooed and pursued even more vigorously.

Foundations

Looking back to 1971 when foundation assistance was reportedly meeting over 14 percent of theatre expenses, it is discouraging to note that over 10 years such grant assistance

Percent Changes in Private Support (25 Theatres)

In Percents	*77-8*	*78-9*	*79-80*	*80-1*	CGR *77-81*
Individuals	13.5	2.6	– 3.0	22.2	6.6
Foundations	– 17.5	31.5	20.4	– 11.0	7.9
Corporations	21.9	24.0	41.1	15.9	26.7

In Thousand $	*1977*	*1978*	*1979*	*1980*	*1981*
Individuals	2,201	2,498	2,562	2,485	3,038
Foundations	2,226	1,836	2,414	2,906	2,586
Corporations	745	908	1,126	1,589	1,841

has declined to the point that it is now meeting less than 5 percent of expenses. What has happened in this area of unearned income relates primarily to increased competition for finite resources.

According to the Foundation Center's most recent *Grants Index*, cultural programs have received a reasonably consistent 13 to 15 percent share of annual foundation giving between 1976 and 1980. While the total grant dollars reported in the *Index* have increased from $114 million to $149 million during the five-year period, the number of grants has nearly doubled, causing the average cultural grant to drop from $64,000 to $48,000.

The outlook on foundation assistance in the immediate future is bleak not only for the reasons cited above, but also because of recent changes in the laws governing mandatory payout on foundation income. As foundations must now pay out only an amount equal to 5 percent of assets, it is expected over the next three-to-five years that most of the annual income in excess of this amount will be reinvested in an effort to replenish foundation assets. In the long range, this change should prove beneficial to private philanthropy; in the short range, the annual giving of foundations is expected to decrease sharply.

Corporations

Between 1977 and 1981, corporate support for this sample of 25 theatres has increased by 147 percent, and the five-year compounded growth rate remains the highest of any unearned income source at 26.7 percent. However, the rate of growth plummeted from 41 percent in 1980 to 16 percent in 1981. Optimism remains high for continued development of corporate assistance, yet it is tempered by the fact that the average corporate gift among these theatres went from a very meagre $1,107 in 1980 to just $1,111 in 1981. The increase in corporate contributions can be seen to relate most strongly to the number of sources which have entered the arena and not to a substantially increased level of giving.

According to the recent findings of the Business Committee for the Arts, about one percent of the nation's corporations accounts for more than half the total corporate arts support, which in 1979 reached $436 million. Clearly, there is opportunity for major growth in support from this sector, but recognizing that 1982 will witness fallout in federal assistance, foundation support and, possibly, individual contributions, the questions are how much and how soon.

Public Sector Support

Federal Government

Looking back to 1971, the funds of the National Endowment for the Arts that were committed to theatres constituted over 13 percent of the total appropriation. The relative share of federal support for this discipline declined steadily through 1979 to just 6.7 percent of all program funds. Beginning in 1980, greater emphasis was placed on support of theatre and, by 1981, 8.1 percent of total program funds was earmarked for theatre.

The internal reordering of priorities coupled with an increased appropriation explains most of the 12 percent increase in program support received by the theatres in this sample from the Arts Endowment in 1981. Although slightly ahead of inflation, this increase was well behind the increase of expenses, and the relationship of federal support to total budget continued to diminish, hitting a new low of 4.5 percent of expenses.

While those arguing in favor of President Reagan's attempt to slash Endowment funds by more than 50 percent might contend that 5 percent is not a meaningful part of any budget, it must be recognized that the funding partnership which this and previous Administrations have called for is a delicate ecological system. Any disruption of the ecology must be analyzed in terms of the overall consequences.

As the Reagan Administration attempts to stimulate further private arts support, the differing results of the Endowment's challenge grant program among this sample may be significant to note. For this group of theatres, the first substantial influx of federal monies as a challenge to private sector support occurred in 1979. Based on the concurrent increase in foundation and corporate giving experienced by this sample in 1979 and 1980, the federal challenge concept appears to have been affective.

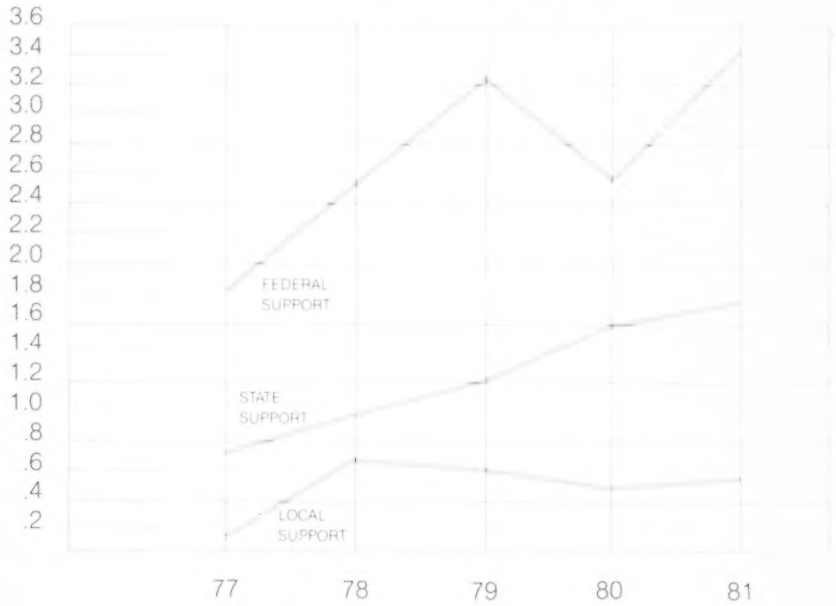
However, the influx of challenge money in 1981 was met with reductions in foundation aid and a slower rate of increase for corporate support. Like the boy who cried wolf, the challenge concept is one which may not be capable of producing sustained results.

State Arts Agencies

Among this sample, the five-year compounded growth rate of support from state arts agencies is second only to corporations at 25.5 percent. The average grant in 1981 to these theatres was almost $60,000 or 61 percent of the average federal grant. Going back 10 years, the average state arts agency grant was just 27 percent of the amount given to these theatres by the National Endowment for the Arts. The development of public sector support from state government is very encouraging, but the ripple effect of federal cuts in all social services is yet to be seen. While the National Assembly of State Arts Agencies reports growth of 1982 state appropriations in the range of 10 percent, concern is expressed about the likelihood of reductions in 1983.

The overall trend for state giving has been excellent, but there is no question that the policies, procedures and funding levels of 50

COMPARISON: (IN MILLION $)
FEDERAL, STATE, & LOCAL PUBLIC SUPPORT



In Thousand $					
FEDERAL	1,835	2,547	3,330	2,569	3,472
STATE	707	978	1,194	1,599	1,774
LOCAL	295	668	608	539	544
Percent Change					
FEDERAL		38.8	30.8	– 22.8	35.1
STATE		38.2	22.1	34.0	10.9
LOCAL		126.2	– 9.0	– 11.3	0.9

different state arts agencies vary considerably. Some of the largest states have steadfastly declined to provide basic program assistance to cultural institutions, opting in favor of a host of community outreach projects. Within the total gains made in state funding are many individual circumstances which remain to be addressed.

City/County Government

The economic impact of cultural institutions has been demonstrated time and again, and within this sample of 25 theatres there are strong examples of performing arts organizations which have revitalized neighborhoods or entire communities. Yet, local government support has generally failed to materialize in any meaningful way for the theatre. The average contribution of city and county government to these 25 theatres in 1981 was slightly more than $20,000, with just 14 of the 25 theatres receiving any support from local government sources.

In 1981 virtually no increase occurred in local government support, following two previous years of decreasing contributions. In response to federal budget cutting measures, the U.S. Conference of Mayors again reaffirmed the value of the arts to the life of a community. It is perhaps time for more local governments to back these convictions with dollars.

Expenses

Looking at the trends in expenditures bears out some of the concerns raised in the analysis of income. The needs of marketing to an ever greater audience, of generating more revenue through secondary earnings, of pursuing 46,000 individual donors for an average contribution of $67 and of soliciting 1,700 corporate gifts in an average amount of $1,100 requires tremendous administrative manpower. In 1981, the labor force related to marketing, fund-raising and general administration increased from the previous year by nearly 20 percent within this sample.

Put any two artistic directors in the same room, and they will soon be talking about the increasing "institutionalization" of the non-profit professional theatre. What they are really saying is that the present financial structure is simply counterproductive, with less—not more—of the budget available to be applied to the work on stage. In terms of committing financial resources to theatrical excellence, it is not running faster to stay in

Total Expenses (25 theatres)

In thousand $	*1977*	*1978*	*1979*	*1980*	*1981*
Artistic Salaries	8,651	9,890	11,079	11,356	13,160
Administrative Salaries	4,781	5,695	6,757	7,831	9 215
Technical Salaries	4,284	4,727	6,356	6,388	8,272
Total Salaries	17,716	20,312	24,192	25,575	30,647
Authors' Royalties	645	671	956	861	1,090
All Other Expenses	11,510	14,006	17,716	17,808	22,712

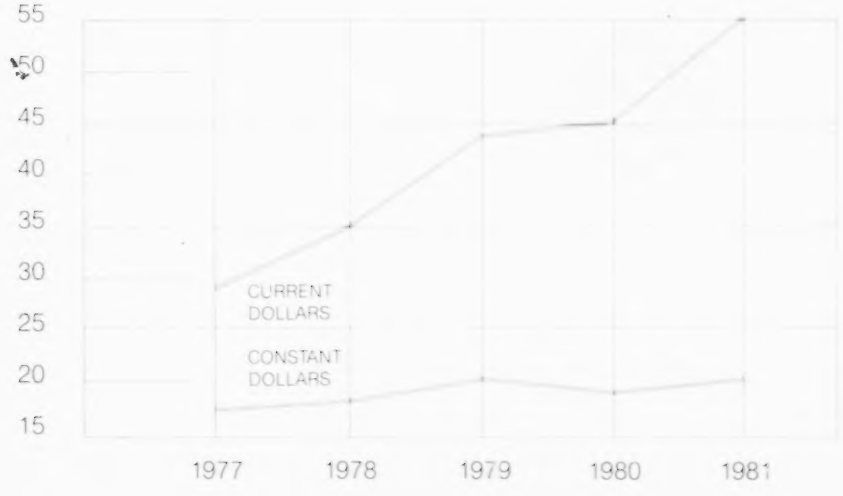
the same place, but taking one step forward and two steps back.

In 1981, actors' salaries increased by 16 percent for this sample, and more actors were employed for a greater period of time. But, as a percent of total expenses, artistic salaries have steadily declined from 29 percent in 1977 to 24 percent in 1981. This is hardly by choice.

As the proportion of funds for artistic salaries has been declining with respect to total budget, the costs of goods and services have been escalating. Simple budget items such as paper and printing, necessary for subscription brochures, programs and donor appeals, have been rising almost uncontrollably. And next year, one unheralded area of federal subsidy, the nonprofit bulk mailing rate, upon which all direct-mail subscription and fund-raising campaigns depend, is expected to nearly double. With little control on such outside forces, the area of greatest retrenchment is almost inevitably within personnel.

As all the statistics reveal, it is that part of the budget devoted to artistic matters that is being squeezed to make room for necessary increases in other areas. What does this say about the theatre's ability to take risks with dramatic material or production concepts that require an extended developmental process? What does this say about the theatre's ability to attract and maintain companies of mature artists? Without raising ticket prices to a level that only a few could afford (and thereby being driven ever-closer to an expense account repertoire of nothing but musicals and light comedy), the only answser that will stand up to statistical scrutiny is the expansion of the base of contributed support without, at the same time, having to expand administrative structures to generate such income.

COMPARISONS: (IN MILLION $)
INCOME IN CURRENT & CONSTANT DOLLARS



IN THOUSAND $

	1977	1978	1979	1980	1981
CURRENT	29,865	35,281	44,560	45,274	55,370
CONSTANT	16,355	17,936	20,310	18,256	20,163
CPI	182.6	196.7	219.4	248.0	274.6

Effects of Inflation

Finally, to understand the economics of the nonprofit professional theatre, it is necessary to examine whether the field's financial condition is materially better or not. Have the income trends kept pace, exceeded or fallen behind the economy as a whole? Is the growth real or artificial?

By adjusting the figures of this sample to correspond to the trends of the consumer price index, the inescapable fact is that the financial growth over five years has been marginal. Although current dollars display a compounded growth rate of 16 percent for total income over five years, when measured in constant dollar value the compounded growth rate drops to just 4.5 percent.

Seen in this light, 1980 was a year of devastation for these theatres. The lack of financial growth coupled with enormous inflation caused the true income of these theatres to shrink. The tremendous 22 percent income gain of current dollars in 1981 was not even sufficient to return the constant dollar position to the 1979 level.

In 1977, these theatres had an average expense budget of $1.2 million. By 1981, the average expenses nearly doubled, reaching $2.2 million. In relative terms, however, the average million dollar gain per theatre translates to an adjusted value of $150,000, most of which was achieved by 1979, lost in 1980 and recovered in 1981.

Afterword

PETER ZEISLER

It is curious the way a society accepts responsibility for support of activities considered necessary for the common good. Until Andrew Carnegie provided funds, libraries accessible and available to the general public across the nation simply did not exist. Similarly, it is only within the last 75 years that liberal arts college educations were made widely available at minimum expense. In 1981, we accept easy access to libraries in our communities and the ability to send our children to college (for other than "trade school" purposes) as both a necessity and a right.

It was not until 25 years ago, through a series of innovative grants conceived by W. McNeil Lowry at the Ford Foundation, that this country began to perceive that the theatre might be more than just a wing of the "entertainment business." In this new vision, the theatre would provide a variety of services to the community and become a much-needed forum for the development of new dramatic material and theatrical concepts.

The nonprofit theatre took root and grew quickly in the 1960's, as did other performing arts, primarily through both major and incentive grants from national and local foundations. Toward the end of the decade, the amount of activity far outstripped the resources of private foundations. At the same time, once foundations demonstrated the feasibility of the idea, their policies increasingly turned to other societal concerns. If the Ford and Rockefeller Foundations served as the national switchboard for the performing arts in the early 1960's, by the end of the decade, the federal government, through the National Endowment for the Arts, was assuming this role. We are now in an era fraught with tension. All sectors of our society, including the fields of health, education, social services and the arts, are unclear about where to look not only for funds to replace diminishing public monies, but more importantly for leadership.

At a time when the theatre community thought, perhaps, that its value to our national well-being was beginning to be obvious to all, we seem dangerously close to returning to ground zero. Unlike the late 1960's, when the mantle of responsibility was passed from national foundations to national government, we are now sent in quest to identify yet unknown national leadership not merely to fund, but to sustain the spiritual development of our country. We are left wondering who is the Andrew Carnegie to provide time for the cement of our foundations to both dry and cure.

About TCG

Theatre Communications Group is the national service organization for the non-profit professional theatre, encompassing a constituency of nearly 200 companies throughout the United States and thousands of individual theatre professionals. Founded in 1961, TCG provides a variety of artistic, administrative and informational programs and services to the profession and acts as a resource for the media, funding agencies and the public.

TCG's goals are to foster interaction among the organizations and individuals that comprise the profession; to help improve artistic and administrative capabilities; to demonstrate the achievements of the field by increasing the public's awareness of theatre's role in society; and generally to encourage and support a nationwide network of activity that collectively represents our "national theatre."

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For a complete catalog of TCG publications, write the Publications Department, Theatre Communications Group, Inc., 355 Lexington Avenue, New York, NY 10017.

1981-82 TCG Constituents

Academy Theatre
A Contemporary Theatre
The Acting Company
Actors Theatre of Louisville
Actors Theatre of St. Paul
Alabama Shakespeare Festival
Alaska Repertory Theatre
Alley Theatre
Alliance Theatre Company
Amas Repertory Theatre
American Conservatory Theatre
The American Place Theatre
American Repertory Theatre
American Stage Festival
American Theatre Arts
American Theatre Company
Arena Stage
Arizona Theatre Company
Arkansas Repertory Theatre
Asolo State Theater
Attic Theatre
Barter Theatre
Berkeley Repertory Theatre
Berkeley Stage Company
BoarsHead Theater
Body Politic Theatre
Boston Shakespeare Company
Center Stage
The Changing Scene
The Children's Theatre Company
The Cincinnati Playhouse in the Park
Circle in the Square
Circle Repertory Company
The Cleveland Play House
The Cricket Theatre
Crossroads Theatre Company
CSC Repertory
Dallas Theater Center
Dell'Arte Players Company
Denver Center Theatre Company
Detroit Repertory Theatre
East West Players
El Teatro Campesino
The Empty Space
Ensemble Studio Theatre
Equinox Theatre
Fairmount Theatre of the Deaf
The First All Children's Theatre
Florida Studio Theatre
Folger Theatre Group
George Street Playhouse
Germinal Stage Denver
GeVa Theatre
Goodman Theatre
The Great-American Children's Theatre Co.
The Great Lakes Shakespeare Festival
The Guthrie Theater
The Harry Chapin Theatre Center
Hartford Stage Company
Hartman Theatre Company
The Hippodrome Theatre
Honolulu Theatre for Youth
Horse Cave Theatre
Hudson Guild Theatre
The Independent Eye
Indiana Repertory Theatre

INTAR
Interart Theatre
Intiman Theatre Company
Invisible Theatre
The Iron Clad Agreement
Jean Cocteau Repertory
The Julian Theatre
L.A. Public Theatre
L.A. Theatre Works
The Living Stage Theatre Company
Long Wharf Theatre
Looking Glass Theatre
Los Angeles Actor's Theatre
Lovelace Theatre
Mabou Mines
Magic Theatre
Manhattan Theatre Club
Mark Taper Forum
McCarter Theatre Company
Medicine Show Theatre Ensemble
Merrimack Regional Theatre
Milwaukee Repertory Theater Company
Missouri Repertory Theatre
Music-Theatre Performing Group:
Lenox Ar.. Center
National Black Theatre
The National Shakespeare Company
The Nebraska Theatre Caravan
The Negro Ensemble Company
New American Theater
New Dramatists
New Federal Theatre
New Jersey Shakespeare Festival
New Jersey Theatre Forum
New Playwrights' Theatre
New York Shakespeare Festival
The Next Move Theatre
The North Carolina Shakespeare Festival
North Light Repertory Company
Odyssey Theatre Ensemble
The Old Creamery Theatre Company
Old Globe Theatre
Omaha Magic Theatre
One Act Theatre Company of San Francisco
O'Neill Theater Center
Oregon Shakespearean Festival
Organic Theater Company
Palisades Theatre
The Paper Bag Players
Pennsylvania Stage Company
The People's Light and Theatre Company
Peoples Theatre
Performance Community
Periwinkle Productions
Philadelphia Drama Guild
Phoenix Theatre
Pilgrim Theatre
Pittsburgh Public Theater
Players State Theatre
The Play Group
Playhouse on the Square
Playmakers Repertory Company
Playwrights' Center
Playwrights Horizons
Portland Stage Company
Provisional Theatre
Repertorio Espanol
Repertory Theatre of St. Louis
The Ridiculous Theatrical Company
The Road Company
Roadside Theater
Roundabout Theatre Company
Round House Theatre
St. Nicholas Theater Company
San Diego Repertory Theatre
Seattle Repertory Theatre
Soho Repertory Theatre
South Coast Repertory
Stage One: The Louisville Children's Theatre
StageWest
Starry Night Puppet Theatre
Steamboat Repertory Theatre
The Street Theatre
Studio Arena Theatre
Syracuse Stage
Tacoma Actors Guild
Theatre Arts of West Virginia
Theatre by the Sea
Theater for the New City
Theater of the Open Eye
Theatre Project Company
Theatre Three
Theatre X
Trinity Square Repertory Company
Victory Gardens Theater
Virginia Museum Theatre
Virginia Stage Company
Westport Country Playhouse
The Whole Theatre
The Wooster Group
Worcester Foothills Theatre Company
Yale Repertory Theatre